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*"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."*

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

April 2, 2019

24 April 2, 2019

  
CELIA ZAVALA  
EXECUTIVE OFFICER

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF CONTRACT ACTIONS RELATED TO  
AGREEMENT NUMBER H-705957 WITH VIZIENT INC. AND  
APPROVAL OF A NEW AGREEMENT WITH DATIX (USA) INC. FOR  
A SAFETY INTELLIGENCE SOFTWARE PLATFORM  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE [ X ]**

**SUBJECT**

Request approval to bifurcate Agreement Number H-705957 with Vizient Inc., and take the following related actions: (i) execute a restated agreement with Vizient, Inc., for the continued provision of patient safety incident data aggregation services; (ii) execute a new agreement with Vizient Inc.'s subcontractor, Datix (USA) Inc., for the continued provision of a web-based incident/event reporting system known as Safety Intelligence for Department of Health Services, Department of Mental Health, Department of Public Health, Fire Department, and Sheriff's Department facilities that provide medical services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Director of Health Services (Director), or designee, to execute a restated agreement with Vizient, Inc., (Vizient) effective upon execution for an initial term of 32-months from May 1, 2019 through December 31, 2021, with an option to extend the term of the Agreement for one three-year period, for the continued provision of patient safety incident data aggregation services for use by the Department of Health Services (DHS), Department of Mental Health (DMH), Department of Public Health



(DPH), Fire Department (FD), and Sheriff's Department (LASD) facilities (collectively the "Departments"), with a maximum obligation of \$169,464, for the initial 32-month term.

2. Delegate authority to the Director, or designee, to execute an Agreement with Datix (USA) Inc., (Datix) effective upon execution for a term of May 1, 2019 through December 31, 2021, with an option to extend the term of the Agreement for one three-year period, for the continued provision of a web-based, County hosted, Safety Intelligence (SI) software platform for use by the Departments, with a maximum obligation of \$1,195,041, for the initial 32-month term, comprised of \$863,694 for the enrollment of the SI software platform modules and \$331,348 in Pool Dollars allocated for the purchase of additional licensed programs of the SI platform software modules and/or to acquire additional work, as necessary.
3. Delegate authority to the Director, or designee, to execute amendments or change notices to the Vizient Agreement to: (i) delete Departments as needed; (ii) perform administrative changes, including but not limited to, the addition, modification, or removal of any relevant terms and conditions and clarify terms and conditions and otherwise comply with changes in applicable law; and (iii) extend the term of the Agreement and increase the maximum obligation by \$287,562, for a total maximum obligation of \$457,026, with all amendments subject to approval as to form by County Counsel.
4. Delegate authority to the Director, or designee, to execute amendments or change notices to the Datix Agreement to: (i) purchase additional modules, professional services, custom programming, and/or training; (ii) delete Departments and/or add or delete modules; (iii) perform administrative changes including but not limited to the addition, modification, or removal of any relevant terms and conditions, and clarify terms and conditions and otherwise comply with changes in applicable law; and (iv) extend the term of the Agreement and increase the maximum obligation by \$1,442,413, comprised of \$1,042,402, for the enrolled of the SI software platform modules and \$400,011, in Pool Dollars for a total maximum of \$2,637,454; with all amendments subject to approval as to form by County Counsel.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

### **Background**

DHS is a member of Vizient's Group Purchasing Organization (GPO), which includes members from approximately 120 academic health centers. Vizient aggregates patient safety incident data from the SI software platform from GPO members who license the SI software platform.

Under the current Vizient Agreement, Datix is an authorized subcontractor providing the SI software platform. The SI software platform modules are used by DHS for reporting patient safety events; managing claims; and handling complaints which enables DHS to improve the quality of care, safety and satisfaction of patients, while also managing risk

exposure. DHS' participation and utilization of the SI software platform complies with the Board-mandated Legal Exposure Reduction Committee's request that the SI software platform be used by all Departments that provide medical services.

Vizient informed DHS that it intended to assign and delegate the SI software platform portion of their current agreement to Datix and discontinue the subcontractor relationship. Vizient will retain the duties related to patient safety incident data aggregation and reporting services. DHS will execute a restated Agreement with Vizient for administrative clarity.

DHS performed the required due diligence as required under the Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions Board policy and is, therefore, recommending the Datix Agreement.

### Recommendations

Approval of the first recommendation will allow the Director, or designee, to consent to the requested assignment and delegation from Vizient to Datix and execute the applicable contractual documents through a restated agreement with Vizient. The recommended term of the restated Agreement and option period replicates the term and option period in the current Vizient Agreement.

Approval of the second recommendation will authorize the Director, or designee, to execute the Datix Agreement for an initial 32-month period and allow Datix to continue to provide and maintain the SI software platform utilized by the Departments and accessed by Vizient for data aggregating and reporting. The new Datix Agreement has a maximum obligation of \$1,195,041, for the initial term, and (i) contains a provision for \$331,348, in Pool Dollars to enroll in additional licensed programs of SI software platform modules, additional work, and/or training services; and (ii) \$863,694, for the SI software platform modules and implementation services. Pricing for these additional items is fixed in the pricing schedule under optional work, therefore, there will be no negotiation on prices in the future, should the County desire to make additional purchases under the Datix Agreement.

Approval of the third and fourth recommendations will enable the Director, or designee, to amend each of the two Agreements as necessary.

Approval of the recommendations will enable the Departments to continue to effectively and efficiently document, manage, and monitor safety events and safety performance by using the web-based SI software platform modules for: event reporting, complaints handling, claims management, safety complaints and legal claims. This platform will continue to provide the Departments with the necessary tools to implement proactive risk management and mitigation strategies and offer appropriate remedies to unsafe events at County health facilities. In addition, this platform includes a notification system of all reported adverse events and unsafe conditions for Departments' management for review, investigation, and implementation of appropriate corrective action.

### **Implementation of Strategic Plan Goals**

The recommended actions support Strategy I.1, “Increase Our Focus on Prevention Initiatives,” Strategy II.2, “Support the Wellness of Our Communities,” and III.3, “Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total cost of the Vizient Agreement for the period from May 1, 2019 through December 31, 2021 is \$169,464, and an additional cost of \$287,562, for the option period from January 1, 2022 through December 31, 2024 if exercised, for a total maximum obligation of \$457,026. The breakdown by Department is shown on the Vizient Pricing Schedule (Attachment A).

The total cost of the Datix Agreement for the period from May 1, 2019 through December 31, 2021 is \$1,195,041, including \$331,348, in Pool Dollars allocated for the potential purchase of license of additional modules and/or to acquire additional work. The total cost during the option period from January 1, 2022 through December 31, 2024 if exercised, is \$1,442,413, including \$400,011, in Pool Dollars for a total maximum obligation of \$2,637,454. The breakdown by Department is shown on the Datix Pricing Schedule (Attachment B).

Throughout the term of the Agreement DMH, DPH, FD, and LASD facilities will reimburse DHS for their portion of the Agreement fees through Departmental Service Orders (DSO’s).

Funding is included in DHS’ Fiscal Year 2018-19 Final Budget and will be requested in future fiscal years as necessary.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the new Datix Agreement, the SI software platform will continue to be used by the Departments as an event reporting system. Vizient then accesses the reporting system and adds the collected data to the database of participating Vizient institutions and permits the use of that data to generate analyses, reports, and comparisons with other Vizient Patient Safety Organization members. Following adverse events and unsafe conditions, the SI software platform immediately notifies the Departments’ management for review, follow-up, and appropriate corrective actions. This software platform complies with HIPAA requirements and State/federal regulations, as well as requirements of the Joint Commission’s National Patient Safety Goals and the Patient Safety and Quality Improvement Act of 2005. The Internal Services Department will continue to provide hosting services and application support for the SI software platform. DHS is reimbursed by each Department through DSOs for the SI software platform software module they access.

The Vizient and Datix Agreements contain terms and conditions previously approved by the Board in the current Vizient Agreement H-705957, which included modifications that allow for a dispute resolution process and a time to cure in case a breach of the terms is alleged by the contractor. The Vizient Agreement may be terminated for convenience by the County with a 30 days' prior written notice and allows Vizient, to terminate for cause with a 180 days' prior written notice. The Datix Agreement may be terminated for convenience by the County with a 45 days' prior written notice and allows Datix to terminate for cause with a 180 days' prior written notice or if in the event County does not meet the 120-day payment obligation Datix may terminate with a 90 days' prior written notice.

The Chief Information Officer (CIO) has reviewed the Board letter and recommends approval. CIO determined that this recommended action will not introduce any new technology related changes and does not require a formal CIO Analysis.

The Vizient and Datix Agreements are not Proposition A Agreements since the services are of an extraordinary, professional nature, and therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

County Counsel will approve all contractual documents as to form before execution.

### **CONTRACTING PROCESS**

DHS, for administrative clarity, is executing a restated agreement with Vizient and executing a new agreement with Datix a former authorized subcontractor of Vizient.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will enhance the Departments' quality of health care delivered to patients, mitigate potential safety risks to patients and visitors, enhance patient safety and decrease operational expenses by streamlining current departmental practices for the collection and management of data regarding patient safety risk factors, as well as proper management of complaints and legal claims.

Respectfully submitted,



Fred Leaf  
Interim Director, Health Agency

Reviewed by:



William S. Kehoe  
Chief Information Officer

FL:WK:cm

Enclosures (2)

c: Chief Executive Office  
County Counsel  
Department of Mental Health  
Department of Public Health  
Executive Office, Board of Supervisors  
Fire Department  
Internal Services Department  
Sheriff's Department

ATTACHMENT A  
VIZIENT, INC.  
Pricing Schedule

Department	Year 2019 (05/01/2019 -12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
LA County Department of Health Services Administration	\$10,867	\$16,800	\$17,300	\$44,967	\$17,800	\$18,300	\$18,983	\$55,083	\$100,050
LA County Department of Mental Health	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
LA County Department of Public Health	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
LA County Fire Department	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
LA County Sheriff's Department	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
Ambulatory Care Network	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
Harbor-UCLA Medical Center	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
LAC + USC Healthcare Network	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
Olive View-UCLA Medical Center	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
Rancho Los Amigos National Rehabilitation Center	\$2,333	\$5,000	\$6,500	\$13,833	\$7,500	\$8,900	\$9,431	\$25,831	\$39,664
<b>Total</b>	<b>\$31,864</b>	<b>\$61,800</b>	<b>\$75,800</b>	<b>\$169,464</b>	<b>\$85,300</b>	<b>\$98,400</b>	<b>\$103,862</b>	<b>\$287,562</b>	<b>\$457,026</b>

ATTACHMENT B  
DATIX (USA) INC.  
Pricing Schedule

Event Reporting Module	Year 2019 (5/1/2019 - 12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
Sheriff's Department	\$14,188	\$21,814	\$22,359	\$58,361	\$22,918	\$23,490	\$24,077	\$70,485	\$128,846
Fire Department	\$12,539	\$19,279	\$19,760	\$51,578	\$20,254	\$20,760	\$21,278	\$62,292	\$113,870
Department of Mental Health	\$4,148	\$6,377	\$6,536	\$17,061	\$6,699	\$6,867	\$7,038	\$20,604	\$37,665
Department of Public Health	\$4,148	\$6,377	\$6,536	\$17,061	\$6,699	\$6,867	\$7,038	\$20,604	\$37,665
Department of Health Services: - Health Services Administration LAC + USC Medical Center - Rancho Los Amigos Rehabilitation Center - Harbor - UCLA Medical Center - Olive View - UCLA Medical Center - Ambulatory Care Network	\$110,289	\$169,569	\$173,715	\$453,573	\$178,056	\$182,504	\$187,063	\$547,623	\$1,001,196
<b>Total</b>	<b>\$145,312</b>	<b>\$223,416</b>	<b>\$228,906</b>	<b>\$597,634</b>	<b>\$234,626</b>	<b>\$240,488</b>	<b>\$246,494</b>	<b>\$721,608</b>	<b>\$1,319,242</b>
Complaints Module	Year 2019 (5/1/2019 - 12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
Department of Health Services: - Health Services Administration LAC + USC Medical Center - Rancho Los Amigos Rehabilitation Center - Harbor - UCLA Medical Center - Olive View - UCLA Medical Center - Ambulatory Care Network	\$56,764	\$87,272	\$89,451	\$233,487	\$91,518	\$93,800	\$96,138	\$281,456	\$514,943
<b>Total</b>	<b>\$56,764</b>	<b>\$87,272</b>	<b>\$89,451</b>	<b>\$233,487</b>	<b>\$91,518</b>	<b>\$93,800</b>	<b>\$96,138</b>	<b>\$281,456</b>	<b>\$514,943</b>
Claims Module	Year 2019 (5/1/2019 - 12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
Department of Health Services	\$7,919	\$12,175	\$12,479	\$32,573	\$12,791	\$13,110	\$13,437	\$39,338	\$71,911
<b>Total</b>				<b>\$32,573</b>				<b>\$39,338</b>	<b>\$71,911</b>
Total for Enrolled Modules*	Year 2019 (5/1/2019 - 12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
<b>Total</b>	<b>\$209,995</b>	<b>\$322,863</b>	<b>\$330,836</b>	<b>\$863,694</b>	<b>\$338,935</b>	<b>\$347,398</b>	<b>\$356,069</b>	<b>\$1,042,402</b>	<b>\$1,906,096</b>
Pool Dollars	Initial Term				Extension Option			Total	
<b>Total</b>	<b>\$331,348</b>				<b>\$400,011</b>			<b>\$731,359</b>	
Enrolled Modules + Pool Dollars	Year 2019 (5/1/2019 - 12/31/2019)	Year 2020	Year 2021	Initial Term Total	Year 2022	Year 2023	Year 2024	Extension Option Total	Total
<b>Total</b>	<b>\$290,556</b>	<b>\$446,720</b>	<b>\$457,765</b>	<b>\$1,195,041</b>	<b>\$468,998</b>	<b>\$480,708</b>	<b>\$492,707</b>	<b>\$1,442,413</b>	<b>\$2,637,454</b>